



July 6, 2023

The Honorable Buffy Wicks
Chair, Assembly Housing Committee
1021 O Street, Suite 4240
Sacramento, CA 95814

RE: **Senate Bill 747 (Caballero): Land use: economic development: surplus land
As amended 6/30/23 – SUPPORT WITH AMENDMENTS
Set for hearing 7/12/23 – Assembly Housing and Community Development Committee**

Dear Assembly Member Wicks:

On behalf of the Urban Counties of California (UCC), the Rural County Representatives of California (RCRC), and the California State Association of Counties (CSAC), we write in strong support of Senate Bill 747. This bill makes important changes to the Surplus Lands Act (SLA), which strike an appropriate balance between the broad policy interests of local governments in providing a wide array of critical public services to their communities, while also ensuring that the development of affordable housing is prioritized when local governments dispose of their surplus land. SB 747 also makes numerous small but important improvements to the SLA that will ease implementation of the law and ensure that the law's processes are focused on properties most likely to be redeveloped for housing.

Counties Require Flexibility to Use Properties to Meet Long-Term Community Needs

Counties provide an incredibly broad range of services that include statewide health and human services programs, countywide public safety and environmental protections, and a full suite of municipal services for the residents of unincorporated communities. Each of these services requires physical facilities sited in appropriate locations amongst the diverse communities of every county. To effectively deliver services in the communities where they are needed and where clients live, counties must hold and acquire property for both current and planned community needs.

While counties have been leaders in redeveloping their properties to provide affordable housing opportunities, including redeveloping outdated county-owned sites,¹ joint-use developments in conjunction with new county facilities,² and countywide efforts to identify properties appropriate for affordable housing development,³ just to name a few examples, excessively restrictive prohibitions on the leasing of county-owned properties under current Department of Housing and Community

¹ <https://www.dailydemocrat.com/2018/12/11/affordable-housing-complex-officially-opens-tuesday/>

² https://www.huduser.gov/portal/casestudies/study_100520.html

³ <https://www.countynewscenter.com/county-breaks-ground-for-first-affordable-housing-development-on-surplus-property/>

Development SLA guidelines are counterproductive. A five-year limitation on leases of properties that may currently be underutilized, but which are integral to the future provision of vital community services, does not encourage redevelopment for housing, but merely impedes worthwhile, temporary uses of public property.

SB 747's provisions related to the lease of local government property provides a bright-line standard for when a long-term lease of a property should be considered a disposition and subject to the SLA's requirements to give housing providers a first opportunity to negotiate acquisition of the property. However, we believe that a 15-year lease term is inconsistent with typical local agency planning and operations. We suggest that the bill be amended to include a more appropriate lease term of 25-years.

Additionally, we recommend that proposed GC 54221(d) be amended to clarify that the new definition of "dispos[al]" is exclusive – and in particular, that leases of surplus land for less than the specified term do not trigger the SLA. This is arguably implicit in the current language, but some may argue that HCD can/should adopt supplemental definitions (see GC 54230(c)) identifying additional circumstances where leases (or other types of property transactions) are treated as covered dispositions and thus trigger the SLA. That is not our understanding of the intent of this bill, and should thus be addressed explicitly.

Improves Surplus Lands Act Procedures and Applicability

SB 747 includes numerous incremental changes to the SLA that will improve administration at the local level and ensure that the process is focused on the disposition of properties that are most likely to be suitable and available for housing. The bill exempts local agencies that are disposing property, or entering negotiations with, the developer of a qualifying affordable housing project from notification requirements and broadens the current exemption for mixed-use developments with at least 25% affordable housing; requires improved public transparency when HCD notifies a jurisdiction of a potential SLA violation; and exempts properties with valid legal restrictions, including conservation easements, while ensuring transparency during the disposal process.

The bill also reasonably expands the definition of agency use to include numerous important functions that county-affiliated districts may undertake, including airport-related uses, transit and transit-oriented development, port properties to support logistics uses, broadband and wireless facilities, and buffer zones near waste disposal sites.

For the reasons stated above, our organizations strongly support SB 747. If you need additional information about our position, please contact Jean Hurst (UCC) at jkh@hbeadvocacy.com, Tracy Rhine (RCRC) at trhine@rcrcnet.org or Mark Neuburger (CSAC) at mneuburger@counties.org .

Sincerely,



Jean Kinney Hurst
UCC



Tracy Rhine
RCRC



Mark Neuburger
CSAC

cc: Members and Consultants, Assembly Housing and Community Development Committee
The Honorable Anna Caballero, California State Senate